

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 16, 2010

Christopher Johns, President
Pacific Gas and Electric Company
P.O. Box 770000
Mail Code B32
San Francisco, California 94177

Re: Safety Response to the National Transportation Safety Board Advisory of December 14, 2010

Dear Mr. Johns:

On December 14, 2010, the National Transportation Safety Board ("NTSB") issued an advisory finding that some of the pipe segments removed from Pacific Gas and Electric Company's ("PG&E's") Line 132 following the San Bruno explosion of September 9, 2010, had longitudinal seams that were fusion-welded from both inside and outside the pipe, but "some were fusion-welded only from the outside of the pipe."

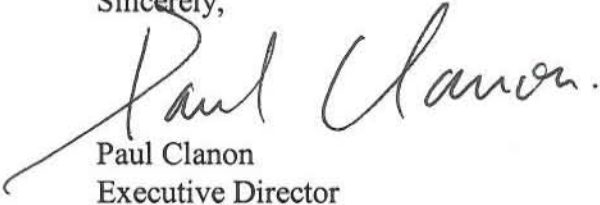
Given the NTSB's preliminary finding, I direct that PG&E take the following actions.

1. PG&E shall reduce, to 20% below the Maximum Allowable Operating Pressure for each line, the maximum pressure on pipelines that have segments that meet all of the following characteristics:
 - a. all Class 3 & 4 pipelines and all Class 1 & 2 pipelines located in High Consequence Areas (gas transmission lines as defined by 49 CFR 192.3); and
 - b. 30-inch diameter pipelines having Double Submerged Arc Welds or its manufacturing equivalent; and
 - c. installed prior to January 1, 1962, and having not undergone hydrostatic pressure testing or the equivalent.
2. PG&E shall assess the integrity of the pipelines described above, using one of the following four methods:
 - a. Hydrostatic or other appropriate pressure test (see 49 CFR 192, Subpart J); or
 - b. X-ray; or
 - c. a camera examination of the interior of the pipe; or
 - d. an inline inspection using a "smart pig" or other technology appropriate to assessing pipeline seam integrity.

3. PG&E must obtain Commission authorization before repressurizing any gas transmission pipelines that have their pressure reduced pursuant to this directive. To obtain such authorization, PG&E shall submit to the Commission information:
 - a. identifying pipeline segments described in this directive; and
 - b. assessing the condition of the segments identified in this directive; and
 - c. setting forth all actions taken to meet these directives including a description of the actions taken to make the pipeline segments safe for a return to normal pressures.

Should PG&E find that any of these directives would directly and adversely impact PG&E's obligation to serve core gas customers, PG&E shall promptly notify me.

Sincerely,



Paul Clanon
Executive Director